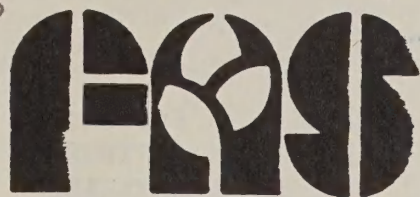


## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.





U.S. DEPT. OF AGRICULTURE  
REPORT

SDU. REG. RES.  
CTR. USDA  
FEB 19 1982

2/24  
Keep on  
United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 6-82

WASHINGTON, Feb. 11--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

BRAZIL's 1982 rice crop (for harvest early this year) is now estimated at 8.8 million tons (rough basis), a decrease of 100,000 tons from last month's estimate and a reduction of about 3 percent from the 1980 crop. Dry weather in January in the southern states of Rio Grande do Sul, Parana, and Santa Caterina lowered expected rice yields. The abnormally dry weather has worsened crop prospects in western Rio Grande do Sul by severely reducing the availability of water for irrigation.

TOBACCO

The EUROPEAN COMMUNITY reduced duty rates on three manufactured tobacco products under the Generalized System of Preferences (GSP) effective Jan. 1, 1982, through Dec. 31, 1982.

The cigarette import duty decreased from 87 to 70 percent, ad valorem. The cigar duty decreased from 42 to 35 percent, and that for smoking tobacco from 110 to 93 percent, ad valorem.

During 1982, 147 countries and territories are eligible to receive these reduced import duties.

OILSEEDS AND PRODUCTS

The SOVIET UNION has arranged to import 100,000 tons of coconut oil and 10,000 tons of copra from the Philippines in 1982. The oil will be shipped in 20,000-ton lots. The trade is estimated to have a value of about \$56 million.

The Soviet Union has historically been a net vegetable oil exporter, but in recent years disappointing domestic production has forced the country to import vegetable oil both for edible and technical purposes. Imported vegetable oil now accounts for a growing share of domestic consumption. Imports of selected oils for 1977-81 and forecasts for 1982 are shown below in 1,000 tons.

-more-

LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.



	1977	1978	1979	1980	1981	Forecast 1982
Soybean	1	3	25	50	125	150
Palm	46	48	105	103	120	120
Sunflower	--	--	11	90	125	150
Coconut	32	51	48	79	80	100
Palm Kernal	--	--	1	12	--	--
Rapeseed	--	4	--	--	--	--
Linseed	50	59	67	90	60	70
Total	129	165	257	424	510	590

\*\*\*\*\*

FISHMEAL PRODUCTION in the major exporting countries increased sharply in October compared with both the previous month and October 1980. However, fishmeal exports from the same countries dipped sharply resulting in some buildup in stocks. The data are as follows in 1,000 tons:

	1980		1981	
	Production	Exports	Production	Exports
Jan.-Oct.				
Chile	446.2	360.8	538.9	330.6
Iceland	131.8	104.7	104.7	88.6
Norway	281.2	233.0	295.7	240.3
Peru	389.1	385.0	349.8	228.6
South Africa	<u>147.3</u>	<u>11.1</u>	<u>150.5</u>	<u>4.3</u>
Total	1,395.6	1,094.6	1,439.6	892.4
September	111.4	100.6	103.8	129.1
October	112.1	121.7	163.6	108.2

Fishmeal production during January-October 1981 in the major exporting countries increased 3 percent from January-October 1980 to 1.44 million tons, reflecting expanded output in Chile. Despite this gain, exports for the same period amounted to only 0.89 million tons--18 percent below January-October 1980.

The falloff in exports resulted in some stock accumulation, particularly in Chile and Peru. Consequently, fishmeal prices have become more competitive in relation to most other meals, including soybean meal.

\*\*\*\*\*

MALAYSIAN palm oil output in 1981 totaled 2.82 million tons, up 9 percent from 1980. Nearly nine-tenths of the 1981 output--more than 2.5 million tons of palm oil--was exported. Ending stocks were down nearly 100,000 tons from the end of 1980. Output in 1982 is forecast at 3.05 million tons, with exports forecast to slightly exceed 2.6 million tons, as shown in the following table in 1,000 tons.

-more-

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Beginning stocks	409	383	290
Production	2,576	2,823	3,050
Imports	--	--	--
Exports	2,260	2,526	2,640
Total domestic use	342	390	414
Ending stocks	383	290	286

\*\*\*\*\*

ARGENTINA's soybean exports during calendar year 1981 declined to 2.2 million tons, compared with 2.7 million tons in 1980, according to preliminary shipping data of the Grain Board. In recent years, soybean exports have accounted for more than 70 percent of Argentine soybean supplies. The reduction in Argentina's 1981 soybean exports sharply exceeds the 150,000-ton decline in the 1981 harvest compared with 1980. The remaining 350,000-ton decline in soybean exports largely reflects increased crushings and soybean product exports.

Argentina's quarterly exports of soybeans and products were as follows in 1,000 tons:

Item	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Dec.
Soybeans:					
1979	28	1,394	1,287	95	2,804
1980	15	784	1,430	495	2,724
1981	17	1,160	1,027	3	2,207
Soymeal:					
1979	118	72	66	91	347
1980	31	22	82	159	294
1981	18	55	185	<u>1/</u> 115	373
Soy oil:					
1979	23	7	15	36	81
1980	20	9	30	23	82
1981	13	24	77	<u>1/</u> 20	134

The quarterly distribution of Argentine exports during 1977/78-1980/81 period was as follows in percent:

Soybeans	2.4	34.6	53.9	9.1	100.0
Soymeal	20.9	16.8	23.7	38.6	100.0
Soy oil	32.7	13.9	26.6	26.8	100.0

1/ Estimated.

\*\*\*\*\*

-more-



DAIRY, LIVESTOCK, AND POULTRY

POLAND's poultry industry could face serious difficulty in 1982 as a result of reduced feed grain availabilities to specialized poultry farm operations, according to the agricultural counselor in Warsaw. These farms rely on grain supplied by the State, which is having difficulty in purchasing grain from farmers holding back their crops. These internal procurement difficulties, in combination with import credit limitations, could cut total poultry production by more than one-half according to government estimates.

Polish egg production is forecast to fall from 8.8 billion in 1981 to 8.0 billion in 1982. The drop in egg production is tempered by the fact that egg production generally occurs in small private farms where more locally grown feeds are available.

\*\*\*\*\*

Higher prices and expected better grazing conditions in PORTUGAL are expected to foster both increased cow numbers and productivity. As a result, milk production is likely to increase 13 percent in 1982, according to the agricultural attache. This follows an 8 percent increase in 1981 and will tend to diminish Portugal's need to import milk and milk products.

Milk prices were raised effective Jan. 1, 1982. For producers, the new price schedule represents an increase of nearly 12 percent for Class A milk. Another 10.5 percent increase is scheduled to become effective on Sept. 16, 1982, and run through Feb. 15, 1983. Existing subsidies for purchasing and using modern dairy equipment will continue.

\*\*\*\*\*

The EUROPEAN COMMUNITY Commission has fixed new supplementary levies on imports of U.S. legs and cuts of legs of poultry other than geese or turkeys. The new levy is 35 ECU per 100 kilograms up from 20 ECU per 100 kilograms. This amounts to an increase from 10 to 17 cents per pound.

Effective Jan. 8, the EC Commission published new export refunds for milk and milk products exported to third countries. Refunds on products going to the United States were unchanged from those that took effect Oct. 16, with the exception of the refund on cheeses of a fat content, by weight, in the dry matter of 39 percent or more, and with a water content, by weight, of the non-fatty matter exceeding 52 percent, but not exceeding 62 percent. The refund on such cheeses was increased from zero to 20 cents per pound.

\*\*\*\*\*

JAPAN has decided to advance the staging of certain tariff reductions agreed on in the Multilateral Trade Negotiations in response to international pressure for greater access to its agricultural market. At the beginning of the new Japanese fiscal year, April 1982, tariffs on pork, beef offals, bone-in chicken legs, and turkey will be reduced to levels originally planned to take effect in April 1984.

-more-



The duty on pork will drop from 8.8 to 6.9 percent, but the variable levy will continue to discourage imports of less expensive cuts. Japanese pork imports are expected to fall 20 percent in 1982 as production begins to recover from last year's slump. A reduction in the tariff from 21.3 to 18.8 percent should encourage further growth in the import of beef offals. About 60 percent of U.S. exports to Japan are of diaphragm muscles for use in fabricated steaks.

Imports of U.S. bone-in chicken legs should continue to increase as their prices become more attractive with a tariff reduction to 13.8 percent from 16.3 percent. Although the duty on imported turkey is being reduced to 6.9 percent, Japan's total poultry imports will not show much growth over the high levels of 1981. Domestic broiler production is seen increasing about 3 percent, following last year's decline, the first in recent history.

\*\*\*\*\*

SOUTH KOREA's tallow imports are expected to rise 10 percent to 165,000 tons in 1982 with the beginning of a 6-month trial program that replaces the 20-percent tariff with a 7-percent tariff quota for 12,000 tons of tallow for feed use. Korea's tallow imports grew only 4 percent last year because of stronger competition from palm oil, which is gaining preference in processed food use. Use in processed food currently accounts for one-third of tallow imports. The other two-thirds goes into soap manufacture. U.S. exports of tallow to South Korea fell 29 percent last year to 81,536 tons because of competition from Oceania. As a result, Korea fell from second to sixth place as an importer of U.S. tallow.

#### HORTICULTURAL AND TROPICAL PRODUCTS

CANADA's Agricultural Stabilization Board will provide deficiency payments to apple producers for their bumper 1980 crop, which forced growers to market their apples at prices substantially below those of previous years. The payment has been set at 1.77 cents per pound, which is the difference between a support price of 8.36 cents per pound (based on 90 percent of the previous 5-year average market returns) and an average 1980 actual market return of 6.59 cents per pound.

Producers will be eligible for payments on crops of more than 25,000 but less than 1 million pounds. Total payments under the 1980 Apple Stabilization Program are estimated at roughly \$19 million.

\*\*\*\*\*

SWEDEN's opening date for import of apples was Feb. 5, 1982. The import closing date is June 30, 1982.

\*\*\*\*\*

-more-



At the INTERNATIONAL COCOA ORGANIZATION COUNCIL (ICCO) meeting in London Jan. 29, it was decided to double the 1-cent per pound export levy effective Oct. 1, 1982, and the Buffer Stock Manager (BSM) was directed to seek better terms and conditions for the Brazilian bank loans to be used to finance additional buffer stock purchases. Although the approval of the 2-cent per pound export levy clears the way toward the acceptance of a \$75 million loan from a group of Brazilian banks, some analysts felt this amount would not be an adequate margin to sustain buffer stock buying. The BSM was also directed to complete purchasing of the remaining 12,403 tons of cocoa from the agreed 35,000-ton total from the Cocoa Producers Alliance before March 8, 1982, which would likely use up all of the remaining reserves of the Buffer Stock Fund.

The possibility of increasing the export levy to 3 cents per pound, which would allow the BSM to seek additional loans, will be considered at the March 15-16 meeting of the ICCO. If the BSM completes purchase of the remaining 12,403 tons of cocoa from the Alliance, cumulative purchases would have totaled approximately 100,345 tons. Under the terms of the International Cocoa Agreement, if purchases reach 100,000 tons and the indicator price is still below \$1.10 per pound for five consecutive days, the lower intervention price will drop to \$1.06 per pound and the BSM will be required to buy up to 75,000 tons in defense of the new price level if conditions dictate such action.

\*\*\*\*\*

The UNITED STATES Food and Drug Administration examined and accepted for entry into the United States 189.4 million pounds of tea in 1981, up 2.7 percent from 184.3 million in 1980. Acceptances for the year by variety in millions of pounds were as follows (with 1980 comparisons in parentheses): black 178.3 (173.6); green 8.3 (8.5); oolong 1.2 (0.9); and mixed 1.7 (1.3).

\*\*\*\*\*

BRAZIL'S 1982/83 coffee crop (harvest April-August 1982) is now estimated at 16.0 to 18.0 million bags (60 kg. each), compared with 1981/82 output of 32.5 million bags based on an extensive field survey by the U.S. agricultural officer in Rio de Janeiro into BRAZIL's main coffee producing regions in the states of Parana, Sao Paulo, and Minas Gerais. The expected downturn in the 1982/83 crop is largely the result of frosts last July that hit Brazil's major coffee producing states. USDA's initial analysis of frost damage based on an extensive post-frost field survey, was published in press releases last Aug. 12, 18, and 25.

-more-



The most recent survey, conducted in January, came after the flowering and fruit set stage (Sept.-Dec.) of the 1982/83 coffee crop's development. The overall condition of coffee trees in the major producing states indicates satisfactory recovery as a result of the generally favorable weather conditions in recent months. However, trees damaged by last July's frost have lost their capacity to hold and develop a normal volume of coffee cherries to varying degrees. As a result, these trees may still lose some of their new cherries.

In the state of Parana, the 1982 crop should be between 2.5 to 3.0 million bags, compared with 7.5 to 8.0 million bags produced in 1981/82 and a pre-frost 1982/83 production potential of 8.0 to 9.0 million bags. Most of new crop coffee in the state is expected to be harvested east and north of Londrina and southwest of Maringa. Coffee in Parana has flowered earliest relative to that in Sao Paulo and Minas Gerais. As a result, potential losses due to fallen new cherries are already accounted for and, assuming favorable weather until April, the current estimate appears reasonably firm.

In the state of Sao Paulo, the 1982 crop is likely to be between 4.0 to 4.5 million bags, compared with 9.5 to 10.0 million bags produced in 1981/82 and a pre-frost 1982/83 production potential of 8.0 to 9.0 million bags. The bulk of the new crop coffee in Sao Paulo is expected to be harvested west and north of Bauru, east and north of Ribeirao Preto, and east of Sao Jose do Rio Preto.

In the state of Minas Gerais, the 1982 crop is estimated at 4.5 to 5.0 million bags, compared with 10.0 to 10.5 million bags in 1981/82 and a pre-frost 1982/83 potential of 6.5 to 7.5 million bags. The bulk of new crop coffee in southwest Minas Gerais is expected to come from trees south of Sao Sebastiao, south of Alfenas, and around Varginha.

In both Sao Paulo and Minas Gerais, the physical load of coffee cherries on frost-damaged trees is still subject to losses as the crop in these two states is still in an early stage of development compared with that of Parana. Weather conditions in these two key producing states over the next several months is pivotal to the final outturn.

In coffee producing states unaffected by the frosts last July, 5.0 to 5.5 million bags are expected to be produced, with the state of Espirito Santo supplying about three-fourths of this amount.

Another extensive field survey in the major coffee producing areas will be completed in April before harvest.

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF  
AGRICULTURE



AGR 101  
FIRST CLASS

If you no longer need this publication, check here  
\_\_\_\_\_ and return this sheet and/or envelope in  
which it was mailed and your name will be dropped  
from mailing list.

If your address should be changed \_\_\_\_\_ PRINT  
OR TYPE the new address, including ZIP CODE and  
return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.  
U.S. Department of Agriculture  
Washington, D.C. 20250

0003 ULSRRC196A122 10002 0001  
USDA LIBRARY SOUTHERN REGNL  
RES CNTR  
BOX 19687  
NEW ORLEANS LA 70179

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f.,  
Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Feb. 9, 1981	Change from previous week	A year ago
	\$ per m. ton	\$ per bu.	¢ per bu.
<b>Wheat</b>			
Canadian No. 1 CWRS-13.5%.....	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	185.25	5.04	-6
U.S. No. 2 DHW/HW: 13.5%.....	195.00	5.31	-13
U.S. No. 2 S.R.W.....	167.50	4.56	-1
U.S. No. 3 H.A.D.....	189.75 7/	5.16 7/	-9 7/
Canadian No. 1 A: Durum.....	211.00 7/	5.74 7/	-8 7/
<b>Feed grains:</b>			
U.S. No. 3 Yellow Corn.....	126.50	3.21	-3
U.S. No. 2 Sorghum 2/.....	145.00	3.68	-3
Feed Barley 3/.....	1/	1/	1/
<b>Soybeans:</b>			
U.S. No. 2 Yellow.....	258.00	7.02	-16
Argentine 4/.....	260.00 7/	7.08 7/	-13 7/
U.S. 44% Soybean Meal (M.T.)..	237.00	--	-11.00 5/
<b>EC Import Levies</b>			
Wheat 6/.....	84.00	2.29	-10
Barley.....	69.45	1.51	-5
Corn.....	99.30	2.52	-6
Sorghum.....	81.90	2.08	-6

1/ Not available.

2/ Optional delivery: U.S. or Argentine Granifero Sorghum.

3/ Optional delivery: Canadian Feed Barley.

4/ Optional delivery: Brazil yellow.

5/ Dollars per metric ton.

6/ Durum has a special levy.

7/ April/May delivery

Note: Basis March delivery.